(c) NTPC's target for capacity addition during the next fiscal, *i.e.* 2005-06 is 2000 MW (comprising 500 MW from Ramagundam Stage-III (1 X 500 MW); 500 MW first unit of Rihand STPP Stage-II (2 X 500 MW) and 1000 MW from two units (Nos. 5 & 6) of Talcher Stage-II (5 X 500 MW). However, these units have already been commissioned ahead of schedule in the year 2004-05. NTPC, therefore, plans to add 500 MW capacity in the next fiscal, i.e. 2005-06 by commissioning 2nd Unit of Rihand Stage-II (2 X 500 MW) ahead of the schedule of May, 2006.

Power purchasing agreement between Government of Kerala and NTPC

259. SHRI A. VIJAYARAGHAVAN: Will the Minister of POWER be pleased to state:

(a) whether there is/was an agreement with the Government of Kerala regarding the purchase of power from National Thermal Power Corporation located at Kayamkulam;

(b) if so, the details including the period of agreement and the cost to be paid to NTPC per unit power and the cost to be paid for the same unit of hydroelectric power purchased by the Government of Kerala from other sources;

(c) whether steps will be taken to provide power to Kerala with a cost comparable to that of hydroelectric power;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (e) Yes, Sir. There is a power Purchase Agreement (PPA) with Kerala Sate Electricity Board (KSEB) for supply of power from NTPC's Kayamkulam Station (360 MW) which has been valid till 28th February, 2005. As per the provisions of PPA, NTPC has already taken up with KSEB from extension of PPA beyond 28.02.2005.

Two-part tariff is followed for Kayamkulam station as per Central Electricity Regulatory Commission (CERC) norms, and as such fixed charge and variable charges have to be paid. As per CERC regulations, the fixed

charge per unit comes to Rs. 0.92/unit at 80% PLF. The variable charges depend on the cost of fuel. The variable charges paid during 2003-04 was Rs. 3.87/unit and during 2004-05 (Upto June, 2004) it was Rs. 3.17/unit.

Kerala State Electficity Board (KSEB) is not purchasing electricity from Hydroelectric Stations of other agencies.

In order to bring down the cost of Kayamkulam Power, Kerala has been allocated 110 MW from NTPC stations in Eastern Region for pooling with Kayamkulam Power *vide* order dated 24.02.2005.

Investment for increasing hydro power production

†260. SHRIMATI SAVITA SHARDA: Will the Minister of POWER be pleased to state:

(a) whether Government propose to pay special attention for investment in private sector to increase hydro power production in order to achieve better position in power sector;

(b) if so, the details thereof;

(c) whether Government are also taking action to bring down expenditure in production of power; and

(d) if so, the details thereof?

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) and (b) Government of India has accorded priority to Hydro Sector and has taken a number of measures to promote development of Hydro-electric projects. A hydro policy was annnounced in August, 1998 on hydro power development which among others, emphasized the need for private sector participation. The policy envisaged that private investment through IPPs and joint ventures would be encouraged in the coming years and the required policy environment, incentives and relieves would be provided to stimulate and maintain a trend in this direction. Hydro electric schemes in private sector commissioned and cleared by Central Electricity Authority (CEA) since 1991 is given in the Statement (*See* below). Under the 50,000 MW Hydroelectric Initiative launched by the Government of India in May, 2003, Preliminary Feasibility Reports (PFRs) of 162 schemes, spread over 16

†Original notice of the question was received in Hindi.